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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Douglas Monticciolo

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New York, NY 10038

EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT

PAPER NUMBER

3692

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
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3 MONTHS

04/06/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

## Office Action Summary

Application No.

09/805,522

Applicant(s)

MONTICCILO, DOUGLAS

Examiner

Narayanswamy Subramanian

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 28 December 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-8 and 21-26 is/are pending in the application.
- 4a) Of the above claim(s) 21-26 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-8 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application
- ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This office action is in response to applicants' request for continued examination filed on December 28, 2006. Amendments to claims 1-3, 5, 7 and 8, cancellation of claims 4 and 14-20 and addition of new claims 21-26 have been entered. Claims 1-3, 5-8 and 21-26 are currently pending and have been examined. The rejections and response to arguments are stated below.

#### ***Response to Amendment***

2. Claims 21-26 are directed to inventions that is independent or distinct from the invention originally claimed for the following reasons:

Claims 1-8 that were examined in the last office action mailed on June 28, 2006 are drawn to a method of a lending institution funding of a pool of loans, with one or more insurers, the pool of loans having associated therewith a first rating or no rating, an aggregate amount and a first loss, the method comprising: the lending institution assuming risk of the first loss by providing a first loss guaranty, the first loss being a percentage of the aggregate amount of the pool of loans; transferring the loans to an entity that secures insurance for the loans from the insurers, thereby transferring risk of loss other than the first loss to the insurers, the entity having a second rating greater than the first rating or no rating and securing proceeds based on the pool of loans and its second rating; the proceeds in an amount greater than that which the lending institution could secure due to the second rating being greater than the first rating or no rating; the entity providing proceeds to the lending institution in return for transferring the loans to the entity; and the lending institution funding loans using the proceeds. New claims 21-26 are drawn to a method comprising: an entity receiving a pool of loans from a

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lending institution, the lending institution having a first or no rating; obtaining insurance for the pool of loans from an insurer, the insurer having a second rating greater than the first rating or no rating and securing reinsurance for a first loss on the pool of loans from the lending institution; issuing a financial instrument based on the pool of loans and the insurer's second rating; receiving proceeds for the financial instrument based on the insurer's second rating; and providing proceeds to the lending institution in return for the pool of loans, the lending institution thereby funding the loan. A utility of the originally presented and examined invention is the lending institution assuming risk of the first loss by providing a first loss guaranty, the first loss being a percentage of the aggregate amount of the pool of loans whereas a utility of the newly presented invention is issuing a financial instrument based on the pool of loans and the insurer's second rating. The two claimed inventions are distinct, independent and different in their utility. Also the search required for examined claims is different from that required for claims 21-26, restriction for examination purposes as indicated is proper.

3. Since applicant has received an action on the merits for the originally presented invention drawn to claims 1-8, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 21-26 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03. Applicant is respectfully requested to cancel the withdrawn non-elected claims 21-26 in response to this office action.

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-3 and 5-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Trankina et al. (US Patent 6,578,016 B1) in view of Pinto (US Patent 7,107,241 B1).

Claim 1, Trankina teaches a method comprising: transferring the property to a second entity (See Trankina Figure 1); the second entity providing proceeds to the first entity in return for transferring the property to the second entity (See Trankina Figure 1); and the first entity funding loans using the proceeds (See Trankina Column 1 line 60 – Column 3 line 44).

Trankina does not explicitly teach the steps wherein the first entity is the lending institution; the property is a loan or pool of loans; first entity assuming risk of the first loss by providing a first loss guaranty, the first loss being a percentage of the aggregate amount of the pool of loans; second entity that secures insurance for the loans from the insurers, thereby transferring risk of loss other than the first loss to the insurers, the entity having a second rating greater than the first rating or no rating and securing proceeds based on the pool of loans and its second rating; and proceeds which the first entity could secure due to the second rating being greater than the first rating or no rating. However the limitation “second entity that secures insurance for the loans from the insurers, thereby transferring risk of loss other than the first loss to the insurers, the entity having a

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second rating greater than the first rating or no rating and securing proceeds based on the pool of loans and its second rating” is not given patentable weight because it does affect the step of transferring. The step of second entity securing insurance for the loans from the insurers is not positively recited in the claim. This limitation only describes the second entity and does not further limit the step of transferring. Hence it is interpreted as non-functional descriptive material. Similarly the limitation “proceeds which the first entity could secure due to the second rating being greater than the first rating or no rating” is interpreted as an intended use limitation and not given patentable weight.

Pinto teaches the steps wherein the first entity is the lending institution (See Pinto Column 3 line 52 – Column 4 line 19); the property is a loan or pool of loans (See Pinto Column 3 line 52 – Column 4 line 19); first entity assuming risk of the first loss by providing a first loss guaranty, the first loss being a percentage of the aggregate amount of the pool of loans (See Pinto Column 6 lines 50-63).

It would have been obvious to one of ordinary skill in the art to include the teachings of Pinto to the invention of Trankina. The combination of disclosures would have helped all parties in the transaction by streamlining the process (See Pinto Column 4 lines 15-19).

Claims 2-3 and 5-8, the features in these claims are old and well known in the art. These features further refine the process by defining the parties involved in the implementation of the method. It would have been obvious to one of ordinary skill in the art to include these features to the invention of Trankina. The combination of disclosures would have helped all parties in the transaction by streamlining the process.

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***Response to Arguments***

6. Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

**Conclusion**

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached at (571) 272-6777. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
Dr. N. Subramanian  
Primary Examiner  
Art Unit 3692

March 31, 2007